

**BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF ARKANSAS**

**IN THE MATTER OF
THE CERTIFICATE OF AUTHORITY OF
EQUITY MUTUAL INSURANCE
COMPANY**

A.I.D. NO. 2005 0 4 8

**ORDER OF CONTINUED SUSPENSION
OF ARKANSAS CERTIFICATE OF AUTHORITY**

Now, on this day the matter of the Arkansas Certificate of Authority No. 0050 of EQUITY MUTUAL INSURANCE COMPANY, a Missouri insurer licensed in Arkansas, NAIC No. 21245, is taken under consideration by Julie Benafield Bowman, Insurance Commissioner for the State of Arkansas ("Commissioner"), as presented by Chief Counsel, Ms. Jean Langford. From the facts, matters and other things before the Commissioner, the Commissioner finds as follows:

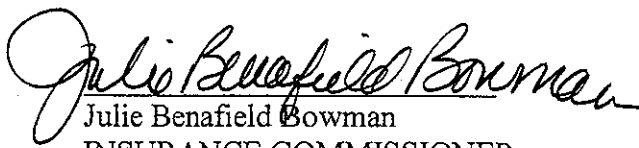
1. That the Commissioner has jurisdiction over the parties and subject matter herein.
2. That the Company holds Arkansas Certificate of Authority No. 0050 (C/A), with authority to sell property, casualty (including workers' compensation), surety and marine insurance in the State of Arkansas. That license was suspended in 2003 due to rehabilitation proceedings in Missouri as the state of domicile, and it has remained suspended until the effective date of this Order.
3. That the Department records show that the Company is still under continuing rehabilitation proceedings in the domiciliary State of Missouri, the causes of suspension have not been removed; and continued suspension of the Arkansas Certificate of Authority is appropriate while the Company is in receivership. The Missouri Department has written, on April 12, 2005 to this Department to request that Arkansas continue the suspension while it continues to service

existing insurance policies and may sell the Company charter, and until the causes of suspension are removed. The Missouri Department of Insurance has not objected to continuation of the suspension to date.

THEREFORE, pursuant to Ark. Code Ann. §23-63-215, it is hereby ordered that the Arkansas Certificate of Authority of EQUITY MUTUAL INSURANCE COMPANY shall remain suspended until further order of the Insurance Commissioner upon the causes of suspension in the state of domicile being removed.

Pursuant to Ark. Code Ann. §23-63-215, the Company shall continue to file its Annual Statement and tax reports; pay fees, license fees, quarterly and annual premium taxes, as if its Arkansas license had remained active or in full force. The Company's Fraud Division fees or assessments due in 2005 under Rule 5, and annual CFRF fees under Rule 56 due June 30, 2005, are hereby waived.

IT IS SO ORDERED this 16th day of August, 2005.


Julie Benafield Bowman
INSURANCE COMMISSIONER
STATE OF ARKANSAS